

Message Text

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SUBJ: PRINTING AND GRAPHIC ARTS TRADE MISSION TO
CZECHOSLOVAKIA (SEP 28-OCT 3, 1973)

REF: A) PRAGUE 2301 AND PREVIOUS: (B) WARSAW 5190

1. SUMMARY: MEMBERS OF PGA TRADE MISSION MET WITH MORE THAN 75 LEADING OFFICIALS AND INDUSTRY REPRESENTATIVES FROM CZECH AND SLOVAK MINISTRIES OF INDUSTRY, PRINTING INDUSTRY TRUSTS, AND PRINTING AND GRAPHICS ENTERPRISES DURING TWO WORKING DAYS IN PRAGUE AND BRATISLAVA. TOTAL SALES OF PGA EQUIPMENT AND SUPPLIES IN NEAR TERM RESULTING FROM MISSION'S VISIT MAY EXCEED ONE MILLION DOLLARS, DUE LARGELY TO SUCCESS OF DAHLGREN MANUFACTURING COMPANY IN INTERESTING CZECH CUSTOMERS IN FIRM'S DAMPENING SYSTEMS. ALTHOUGH IN DIRECT SALES MISSION WAS ONE OF MOST SUCCESSFUL TO VISIT CZECHOSLOVAKIA IN RECENT TIMES, EMBASSY BELIEVES THAT MISSION MEMBERSHIP WAS NOT SUFFICIENTLY REPRESENTATIVE OF PGA INDUSTRY IN U.S. WE RECOMMEND THAT LARGER FIRMS WITH MORE SOPHISTICATED EQUIPMENT AND TECHNOLOGY BE RECRUITED FOR SUCH MISSIONS TO CZECHOSLOVAKIA IN FUTURE. THERE ARE GOOD OPPORTUNITIES FOR U.S. FIRMS TO PARTICIPATE IN SIZEABLE EXPANSION AND MODERNIZATION OF CZECHOSLOVAK PRINTING INDUSTRY OVER NEXT

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FEW YEARS. END SUMMARY.

2. MISSION SCHEDULE: FEDERAL MINISTRY OF METALLURGY AND ENGINEERING (FMME) HOSTED INITIAL MISSION MEETING IN PRAGUE FRIDAY, SEPTEMBER 28 WITH KEY OFFICIALS OF FMME, FEDERAL COMMITTEE FOR DEVELOPMENT OF REPROGRAPHY, AND CZECH AND SLOVAK MINISTRIES OF INDUSTRY WHICH RETAIN DIRECT AUTHORITY OVER THIS INDUSTRY IN THEIR RESPECTIVE REPUBLICS. AFTER OBLIGATORY PAUSE FOR WEEKEND, CZECH MINISTRY OF INDUSTRY HOSTED GENERAL MEETING IN PRAGUE OCTOBER 1 WITH 35 REPRESENTATIVES OF CZECH GOVERNMENT AND INDUSTRY, FOLLOWED BY MINISTRY LUNCHEON AND INDIVIDUAL MEETINGS. QUESTIONS FROM CZECHS INDICATED CONSIDERABLE INTEREST IN PRODUCTS OF MOST MISSION MEMBERS. CZECHS MADE CLEAR THAT SEVERAL MAJOR PLANTS IN CZECH REPUBLIC LACK MODERN PGA EQUIPMENT, AND THAT SIZEABLE MODERNIZATION PROGRAM IS PLANNED. EVENING OF OCTOBER 1 EMBASSY OFFICER HOSTED RECEPTION FOR MISSION ATTENDED (WITH SOME OVERLAP FROM PREVIOUS MEETINGS) BY 35 OFFICIALS AND INDUSTRY SPECIALISTS. SEVERAL MISSION MEMBERS LATER SAID RECEPTION HAD BEEN MOST PRODUCTIVE SINGLE EVENT IN DEVELOPING CONTACTS AND SALES LEADS. MISSION, ACCOMPANIED BY EMBASSY OFFICER, FLEW TO BRATISLAVA OCTOBER 2 FOR ALL-DAY MEETING WITH SELECT GROUP OF OVER 30 SLOVAK INDUSTRY REPRESENTATIVES, HELD AT POLYGRAFICKE ZAVODY N.P., MOST MODERN SLOVAK PRINTING PLANT.

3. POSSIBLE SALES: WITH EXCEPTION OF ONE OR TWO MISSION MEMBERS, ALL EXPRESSED SATISFACTION WITH CONTACTS THEY HAD MADE DURING SHORT SPACE OF TWO WORKING DAYS. DAHLGREN WAS PARTICULARLY PLEASED WITH SIGNED ORDER OF \$400,000 WORTH OF DAMPENING SYSTEMS BY LARGE CZECH PRINTING ENTERPRISE "SVOBODA". ACCORDING TO DAHLGREN, AN ADDITIONAL \$600,000 CONTRACT FOR MORE OF SAME EQUIPMENT WILL BE SECURED WITHIN ONE YEAR. IN ADDITION, REPRESENTATIVES OF INTERNATIONAL PHOTON CORP., SCHRIVER DIVISION OF HARRIS INTERTYPE CORP. AND DIRECT REPRODUCTION CORP, FELT SUBSTANTIAL OPPORTUNITIES EXISTED FOR NEAR-TERM SALES OF THEIR EQUIPMENT AND PROCESSES IN RANGE OF \$400,000 COMBINED. (IT SHOULD BE NOTED, HOWEVER, THAT SCHRIVER HAS BEEN DOING BUSINESS IN CZECHOSLOVAKIA FOR SOME TIME

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AND ANY SALES SUCCESSES IT MAY HAVE SHOULD NOT BE WHOLLY ATTRIBUTED TO PARTICIPATING IN MISSION. ALSO, ANY INTERNATIONAL PHOTON SALES INVOLVING LARGE PLANTS, WOULD PROBABLY ALONE EXCEED ABOVE FIGURE.) THUS OVERALL SALES OF U.S. PRINTING AND GRAPHIC ARTS INDUSTRY EQUIPMENT AND PROCESSES COULD TOTAL WELL OVER \$1 MILLION AS RESULT OF PGA MISSION VISIT.

4. EMBASSY ASSESSMENT: IN TERMS OF ACTUAL SALES WHICH MAY BE DIRECTLY ASCRIBED TO CONTACTS MADE DURING ITS STAY, THIS MISSION MUST BE DESCRIBED AS ONE OF MOST SUCCESSFUL TO VISIT CZECHOSLOVAKIA IN RECENT YEARS. DEPENDING ON FOLLOW-UP BY INDIVIDUAL MISSION MEMBERS, WE BELIEVE SIGNIFICANT FURTHER SALES COULD RESULT. HOWEVER, MISSION CLEARLY DID NOT REPRESENT BROAD CROSS-SECTION OF AVAILABLE U.S. EQUIPMENT AND TECHNOLOGY IN THIS SPHERE. MOREOVER, REACTIONS OF SOME MEMBERS TO SCHEDULE WHICH HAD BEEN CAREFULLY WORKED OUT WITH COOPERATION OF FMME AND CZECH AND SLOVAK MINISTRIES SHOWED EVIDENCE OF UNREALISTIC EXPECTATIONS FROM AN INITIAL TRADE MISSION TO CZECHOSLOVAKIA. MUCH OF THIS ATTITUDE CAN PROBABLY BE EXPLAINED BY FACT THAT MOST WERE NOT ONLY NEW -TO-MARKET BUT ALSO NEW-TO-EXPORT FIRMS. ONE RANKING CZECH OFFICIAL REMARKED AT CLOSE OF MISSION "THIS HAS BEEN A GOOD BEGINNING, NOW BRING US EIGHT MORE*" ADDING THAT LARGER FIRMS FROM U.S. PGA INDUSTRY WOULD ALSO BE WELCOME.
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